



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9773]

RIN 1545-BM70

Country-by-Country Reporting; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 9773) that were published in the **Federal Register** on Thursday, June 30, 2016 (81 FR 42482). This document contains final regulations that require annual country-by-country reporting by certain United States persons that are the ultimate parent entity of a multinational enterprise group.

DATES: This correction is effective **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and is applicable on or after June 30, 2016.

FOR FURTHER INFORMATION CONTACT: Melinda E. Harvey of the Office of Associate Chief Counsel (International) at (202) 317-6934 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9773) that are the subject of this correction are under section 1.6038-4 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 9773) contain errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR Part 1 is corrected by making the following correcting amendments:

PART 1 - INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.6038-4 is amended by revising paragraph (d)(3)(iv) to read as follows:

§1.6038-4 Information returns required of certain United States persons with respect to such person's U.S. multinational enterprise group.

* * * * *

(d) * * *

(3) * * *

(iv) Income tax paid and accrued tax expense of permanent establishment. In the case of a constituent entity that is a permanent establishment, the amount of income tax paid and the amount of accrued tax expense referred to in paragraphs (d)(2)(iv) and (v) of this section should not include the income tax paid or tax expense accrued by the business entity of which the permanent establishment would be a part, but for the third sentence of paragraph (b)(2) of this

section, in that business entity's tax jurisdiction of residence on the income derived by the permanent establishment.

* * * * *

Martin V. Franks
Chief, Publications and Regulations Branch
Legal Processing Division
Associate Chief Counsel
(Procedure and Administration)

[FR Doc. 2016-22440 Filed: 9/16/2016 8:45 am; Publication Date: 9/19/2016]